

Sacramento County Economic Forecast

Sacramento County is home to the California state capital of Sacramento. The county is the hub of a broader metro area that includes the eastern counties of the San Francisco Bay Area, San Joaquin County, Yolo County, El Dorado County, and Placer County. The Sacramento Valley (consisting of Sacramento, Yolo, Placer, and El Dorado Counties) is one of the fastest growing regions in California. Sacramento County has a population of 1.37 million people and almost 582,000 wage and salary jobs. The per capita income in the county is \$30,660, and the average salary per worker is \$49,000.

Employment growth in the broader Northern California region was weak in 2004, due primarily to the sluggish Bay Area economies. While employment in the Bay Area declined by 1 percent last year, employment in the Sacramento Valley grew by 1.3 percent. In 2004, nearly 6,000 total wage and salary jobs were created in Sacramento County, representing a growth rate of 1.0 percent. Non-farm employment grew at the same rate. The unemployment rate declined to 5.2 percent in 2004.

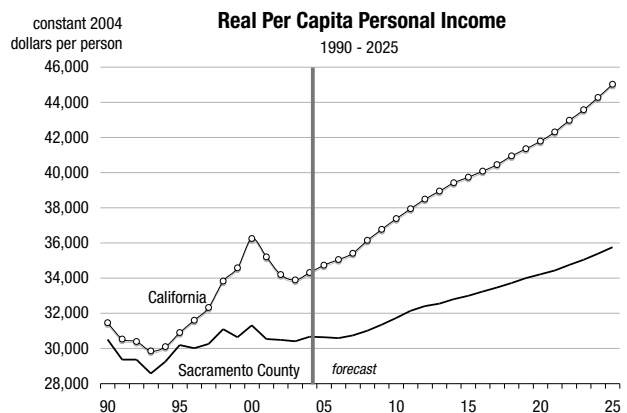
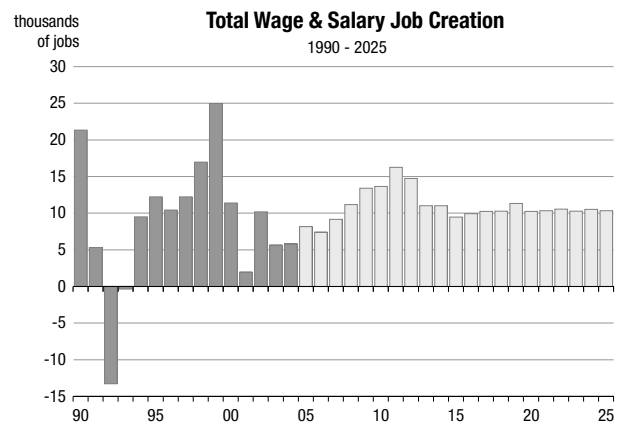
The principal sectors that are producing jobs in Sacramento County are business services, government, retail trade, and leisure and hospitality. The recreation and leisure services sector is creating more job opportunities as the greater Valley population continues to grow. Both Placer and Sacramento remain in the top 10 of the fastest growing county populations in California.

Sacramento is the largest city in the county, accounting for 33 percent of the total population, and the city continues to grow at a rate of 2 percent per year. However, the fastest growing city is Elk Grove, which soared 10.6 percent last year, and now exceeds 120,000 people.

Employment and population growth will continue at rapid rates in Sacramento County over the next several years. Inland counties, like Sacramento County, will dominate growth in the state due to the relative affordability and higher production of homes.

Forecast Highlights

- Non-farm job growth is forecast to increase in 2005 to 1.4 percent. Job growth is expected to accelerate to an average of 1.8 percent between 2005 and 2010.
- Average salaries adjusted for inflation are currently above the California state average, and will remain so over the foreseeable future. Average salaries adjusted for inflation rise an average of 0.6 percent per year over the next 5 years.
- Between 2005 and 2010, the momentum for employment growth remains in professional services and government. These two sectors currently represent 40 percent of all wage and salary jobs, and they are forecast to contribute 56 percent of all jobs created in the county over the next five years.

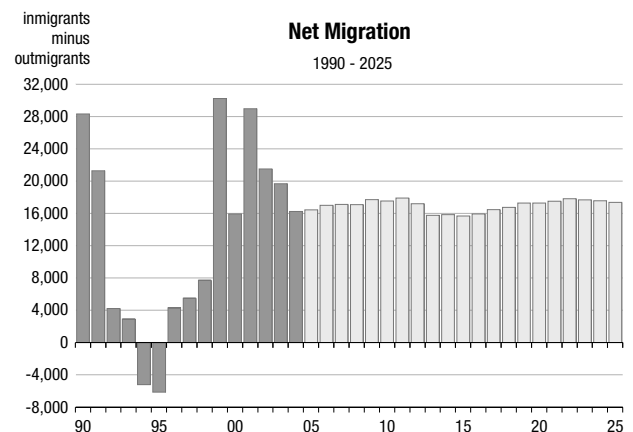
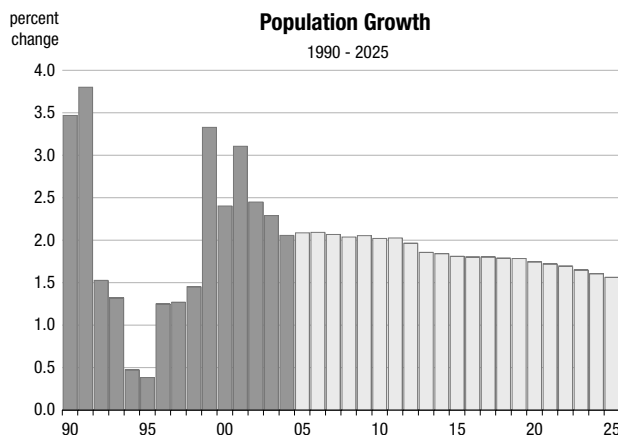


- The population will continue to grow at a rapid rate in the county. Annual growth in the 2005 to 2010 period averages 2.1 percent per year.
- Net migration will increase slightly to 16,450 people in 2005. Over the next five years net migration is expected to increase to an average of over 17,300 net migrants entering the county per year.
- Population is growing faster than income in Sacramento County. Consequently, inflation-adjusted per capita incomes are expected to decline at a rate of 0.1 percent in 2005. In 2007 and beyond real per capita incomes are forecast to increase. Over the next five years they will increase an average of 0.7 percent per year.
- Industrial production will improve by 0.1 percent in 2005. Over the next five years the growth rate of industrial production will increase, with total industrial production rising 2.9 percent per year.

Sacramento County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	1,120,700	-6,134	0.87	423.9	3,863	\$11.4	\$25.8	\$30,185	2.0	301.4	3.57	6.8
1996	1,134,700	4,319	0.90	427.4	3,870	\$12.0	\$26.6	\$30,009	2.3	313.3	3.81	6.1
1997	1,149,100	5,484	0.86	430.5	4,339	\$12.5	\$28.1	\$30,258	3.4	313.9	4.12	5.5
1998	1,165,800	7,716	0.92	434.3	6,842	\$13.3	\$30.2	\$31,096	3.2	331.0	4.31	5.0
1999	1,204,600	30,248	0.95	438.7	7,743	\$15.0	\$32.0	\$30,633	4.2	338.7	4.67	4.2
2000	1,233,560	15,954	0.99	453.6	7,750	\$16.6	\$35.0	\$31,317	4.5	315.8	4.90	4.2
2001	1,271,876	28,966	1.04	459.6	9,434	\$17.3	\$37.1	\$30,538	5.4	312.7	3.35	4.2
2002	1,303,052	21,525	1.10	469.3	12,440	\$17.6	\$38.6	\$30,488	1.6	284.2	3.37	5.4
2003	1,332,905	19,694	1.11	480.4	13,833	\$18.5	\$40.1	\$30,402	1.8	278.1	3.48	5.6
2004	1,360,346	16,242	1.12	490.9	12,962	\$19.4	\$41.7	\$30,658	1.2	269.8	3.71	5.2
2005	1,388,763	16,452	1.14	502.4	12,699	\$20.6	\$43.3	\$30,639	1.7	262.8	3.71	4.9
2006	1,417,840	17,004	1.15	514.7	12,434	\$21.8	\$45.3	\$30,586	2.7	257.5	3.75	5.1
2007	1,447,167	17,118	1.17	526.7	12,134	\$23.0	\$47.7	\$30,743	2.6	251.3	3.83	5.2
2008	1,476,667	17,103	1.18	538.5	12,072	\$24.2	\$50.4	\$31,008	2.6	245.8	3.89	5.1
2009	1,507,013	17,714	1.20	550.1	11,852	\$25.4	\$53.2	\$31,348	2.5	236.7	4.14	5.1
2010	1,537,476	17,553	1.22	561.6	11,886	\$26.8	\$56.5	\$31,732	2.7	227.7	4.28	5.2
2011	1,568,646	17,909	1.25	573.1	12,078	\$28.2	\$59.9	\$32,136	2.7	220.8	4.62	5.1
2012	1,599,460	17,197	1.27	584.8	12,134	\$29.8	\$63.4	\$32,411	2.8	212.0	4.85	5.0
2013	1,629,175	15,779	1.30	596.5	11,924	\$31.4	\$66.8	\$32,552	2.9	205.1	4.84	4.8
2014	1,659,212	15,844	1.32	608.0	11,805	\$33.0	\$70.5	\$32,799	2.9	196.2	4.93	4.8
2015	1,689,261	15,676	1.34	619.4	11,673	\$34.7	\$74.4	\$32,996	3.1	187.4	4.90	4.8
2016	1,719,695	15,941	1.36	630.7	11,499	\$36.5	\$78.6	\$33,235	3.0	178.6	5.06	4.8
2017	1,750,729	16,477	1.38	641.8	11,340	\$38.2	\$82.8	\$33,460	2.9	171.8	5.21	4.9
2018	1,782,039	16,745	1.40	652.8	11,284	\$40.0	\$87.3	\$33,721	2.7	165.1	5.38	4.9
2019	1,813,851	17,292	1.42	663.7	11,274	\$41.9	\$92.0	\$34,000	2.8	154.6	5.62	4.9
2020	1,845,572	17,304	1.44	674.6	11,240	\$43.8	\$96.8	\$34,218	2.7	146.1	5.73	4.8
2021	1,877,343	17,531	1.46	685.5	11,082	\$45.7	\$101.6	\$34,431	2.6	135.8	5.96	4.7
2022	1,909,192	17,822	1.48	696.2	11,123	\$47.7	\$107.1	\$34,753	2.6	127.7	6.17	4.7
2023	1,940,717	17,699	1.50	707.0	11,253	\$49.9	\$112.8	\$35,045	2.7	119.8	6.42	4.7
2024	1,971,921	17,577	1.52	717.8	11,192	\$52.1	\$118.8	\$35,385	2.7	112.0	6.75	4.7
2025	2,002,743	17,382	1.55	728.7	11,215	\$54.4	\$125.2	\$35,762	2.7	104.6	7.06	4.7



Sacramento County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	482.0	2.94	21.2	28.9	10.9	66.6	31.9	56.9	14.1	46.3	40.6	145.1
1996	492.4	2.94	22.2	31.5	10.6	66.5	33.9	59.5	14.3	47.5	41.7	145.0
1997	504.6	3.19	23.9	32.3	11.5	68.4	36.9	62.1	13.8	47.4	41.2	146.3
1998	521.6	2.99	26.0	32.6	12.0	70.6	42.1	68.1	13.8	47.4	40.2	147.6
1999	546.6	3.17	30.2	32.3	12.8	74.5	42.5	74.0	14.7	48.9	41.5	153.0
2000	558.0	3.16	32.2	31.3	12.9	76.7	40.3	78.1	14.4	51.3	43.9	154.7
2001	560.0	3.25	36.1	21.3	11.9	77.7	39.8	71.5	18.1	54.9	44.7	160.5
2002	570.2	2.65	37.4	21.2	11.2	78.1	40.8	69.6	18.9	55.4	46.7	166.9
2003	575.8	2.52	39.5	19.9	11.1	79.7	44.2	69.4	17.4	57.0	47.2	166.4
2004	581.6	2.49	41.8	20.2	11.7	81.0	44.8	70.6	16.7	59.5	48.5	162.7
2005	589.8	2.48	41.6	19.6	11.8	82.1	46.0	72.9	16.5	61.3	48.5	165.2
2006	597.2	2.48	41.0	19.6	12.0	83.5	46.4	74.9	16.4	62.7	49.1	167.1
2007	606.4	2.47	40.8	19.0	12.3	84.7	46.4	78.6	16.5	63.9	49.9	169.2
2008	617.6	2.46	41.1	18.2	12.6	85.9	46.0	82.6	16.7	65.1	51.1	171.8
2009	631.0	2.45	41.8	19.0	13.0	87.5	45.9	86.4	17.1	66.3	52.0	174.7
2010	644.6	2.44	42.9	18.9	13.3	89.2	45.7	90.9	17.5	67.5	53.0	177.4
2011	660.9	2.43	44.5	20.2	13.5	90.9	46.0	95.4	18.0	68.7	53.8	180.5
2012	675.7	2.42	45.9	20.8	13.8	92.5	46.4	99.6	18.5	69.8	54.6	183.4
2013	686.7	2.41	46.6	19.8	14.0	94.1	46.5	103.1	19.0	71.0	55.4	186.3
2014	697.7	2.40	47.3	19.3	14.2	95.6	46.3	106.2	19.4	72.2	56.1	189.2
2015	707.2	2.39	47.8	18.2	14.4	97.1	45.8	108.7	19.8	73.5	56.9	192.1
2016	717.2	2.38	48.3	18.4	14.6	98.7	45.3	110.2	20.2	75.0	57.8	195.1
2017	727.4	2.37	48.8	18.4	14.9	100.3	44.8	112.0	20.6	76.4	58.6	198.1
2018	737.7	2.36	49.5	18.3	15.1	101.9	44.4	113.5	21.0	77.9	59.5	201.0
2019	749.0	2.35	50.3	18.6	15.4	103.5	44.3	115.3	21.4	79.4	60.1	204.2
2020	759.3	2.34	51.1	18.3	15.6	105.0	44.3	116.9	21.7	80.9	60.5	207.4
2021	769.6	2.33	51.7	18.6	15.9	106.6	44.3	118.5	22.0	82.1	60.9	210.3
2022	780.2	2.32	52.6	18.9	16.1	108.2	44.2	120.1	22.3	83.3	61.3	213.2
2023	790.5	2.31	53.8	19.3	16.3	109.7	44.0	121.6	22.6	84.4	61.6	215.9
2024	801.0	2.30	54.9	20.0	16.6	111.3	43.9	123.2	23.0	85.4	61.9	218.5
2025	811.4	2.29	56.2	20.8	16.8	112.8	44.0	124.8	23.3	86.4	62.2	220.7

